

State of Mississippi: Worksite Wellness Health Management as a Competitive Advantage in the 21st Century”

**THE UNIVERSITY OF
MICHIGAN
HEALTH MANAGEMENT
RESEARCH CENTER**

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May 23, 2011



Business Problem

Currently, most costs associated with workplace and workforce performance are growing at an **unsustainable rate**

How are we going to be successful in this increasingly competitive world without a healthy and high performing workplace and workforce?

How can we turn costs into an investment?

UM-HMRC Corporate Consortium

- ✓ Ford
- ✓ Delphi
- ✓ Kellogg
- ✓ We Energies
- ✓ General Motors
- ✓ Crown Equipment
- ✓ Delphi Automotive
- ✓ Southern Company
- ✓ University of Missouri
- ✓ Medical Mutual of Ohio
- ✓ Florida Power and Light
- ✓ St Luke's Health System
- ✓ St Joseph Health System
- ✓ Allegiance Health System
- ✓ Cuyahoga Community College
- ✓ United Auto Workers-General Motors
- ✓ American Construction Benefits Group
- ✓ Wisconsin Education Association Trust
- ✓ Australian Health Management Corporation
- ✓ Steelcase (H)
- ✓ Progressive (H)
- ✓ JPMorgan Chase (H)
- ✓ Affinity Health System (H)
- ✓ SW MI Healthcare Coalition (H)

***The consortium members provide health care insurance for over two million individuals. Data are available from three to 20 years.**

Meets on First Wednesday of each December in Ann Arbor.



What if you worked for the best company you could imagine. A company that was a high performing company and a best company to work for.

What words would you use to describe the workplace and how would you describe the workforce?



The Journey of Becoming a Champion Company: High Quality Products, High Profit Margin, Zero Cost Trends and a Best Place to Work

Natural Flow of a Population

High Risks and High Costs

Business Case

Health as a Serious Business and Economic Strategy

Mission

Change the Economic Assumptions from Treating Disease to the 21st Century Assumptions about Creating and Maintaining Healthy Populations

Solution

Engage Champion Companies in Systematic, Systemic and Sustainable Five Pillars which Promote a Healthy and High Performing Workplace and Workforce



Solution for the 20th Century

(Part 1 of Why Worksite Wellness)

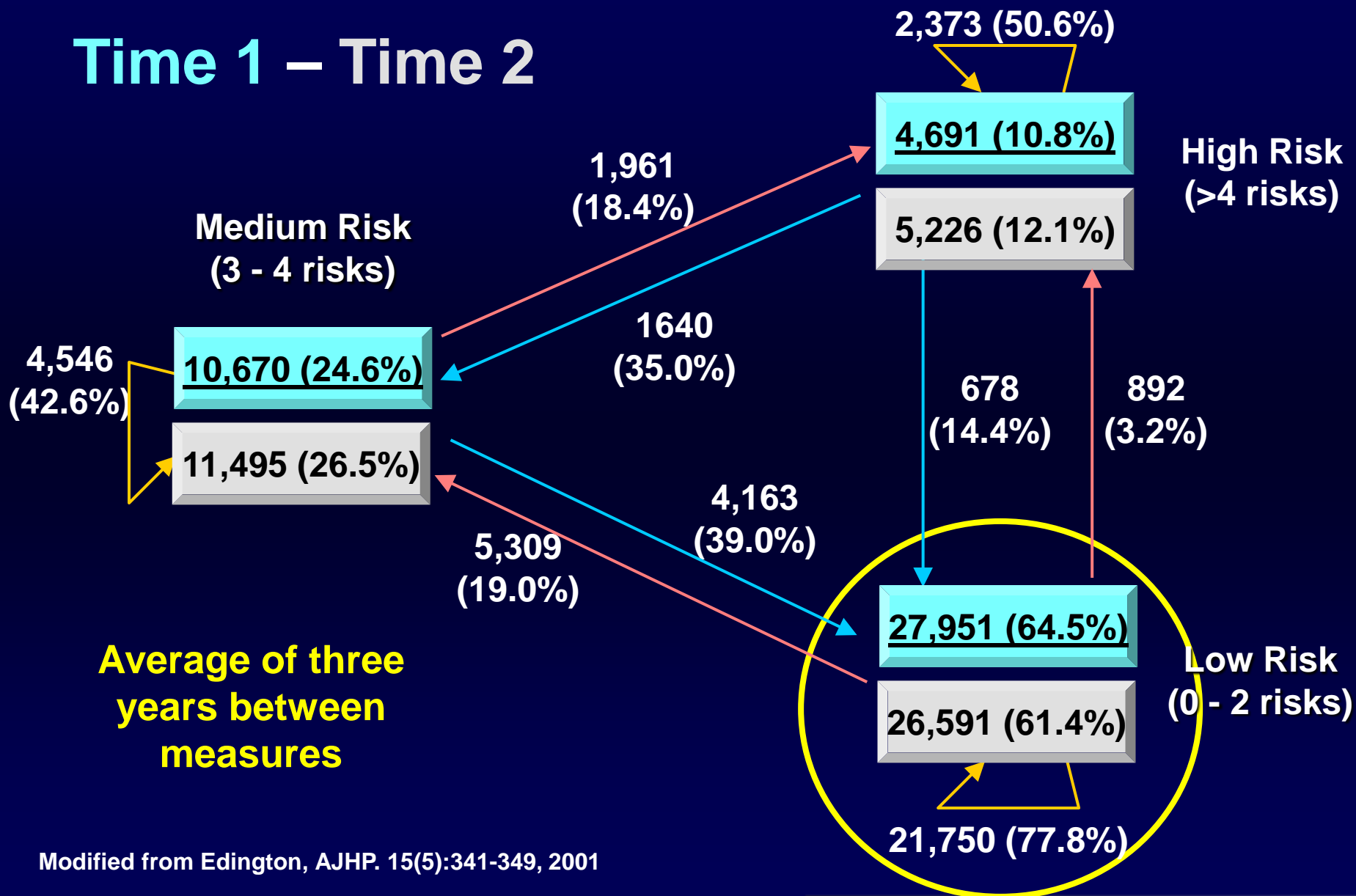
**Wait for Disease or Health Risks
and then Treat**

(...in Quality terms this strategy
translates into **“wait for defects
and then fix the defects” ...**)



Risk Transitions (Natural Flow)

Time 1 – Time 2



Modified from Edgington, AJHP. 15(5):341-349, 2001

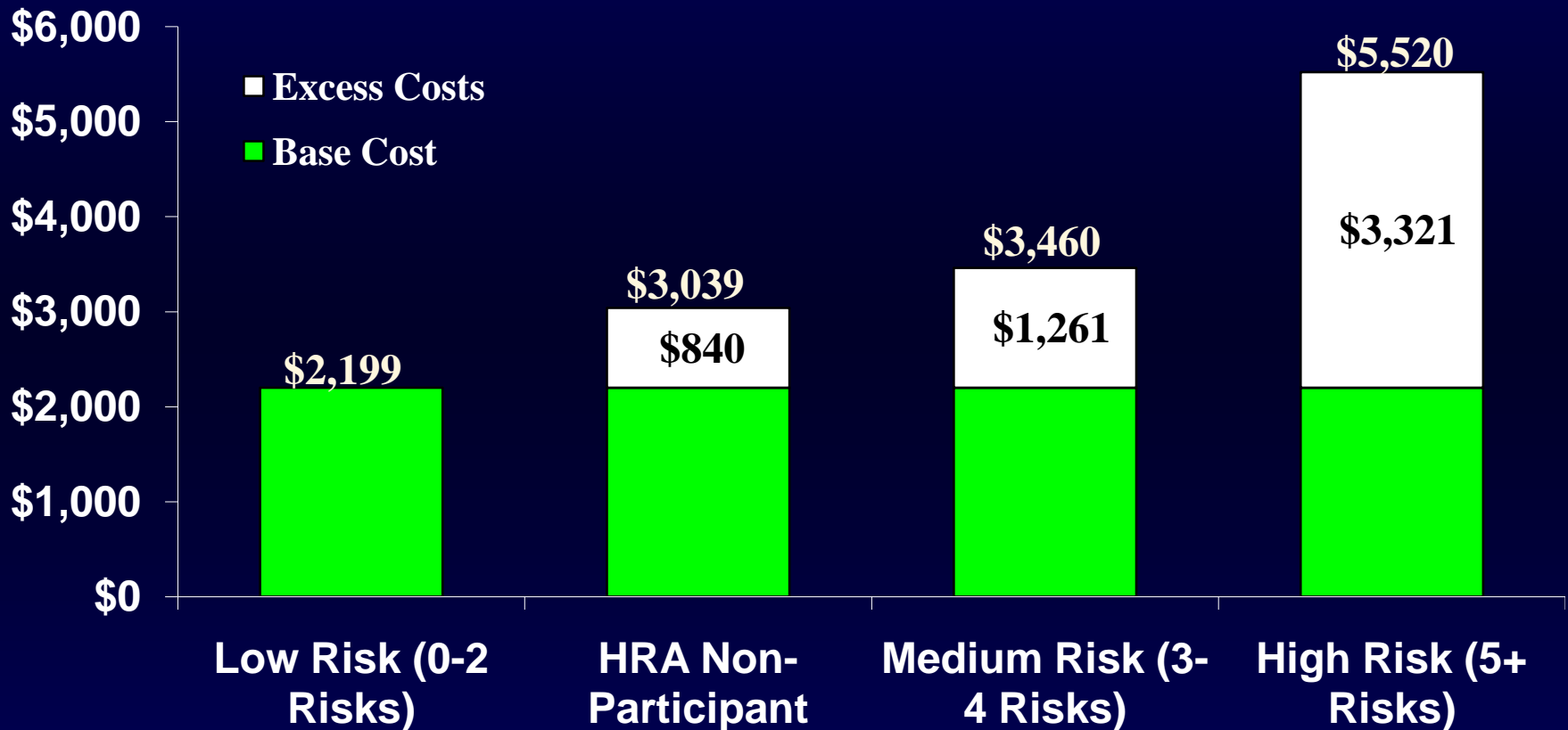
20th Century Solution

(Part 2 of Why Worksite Wellness)

**Build the Business Case for Health as
a Serious Economic Strategy
(200+ Publications)**

**Engage the Total Population to
measure the Total Value of Health**

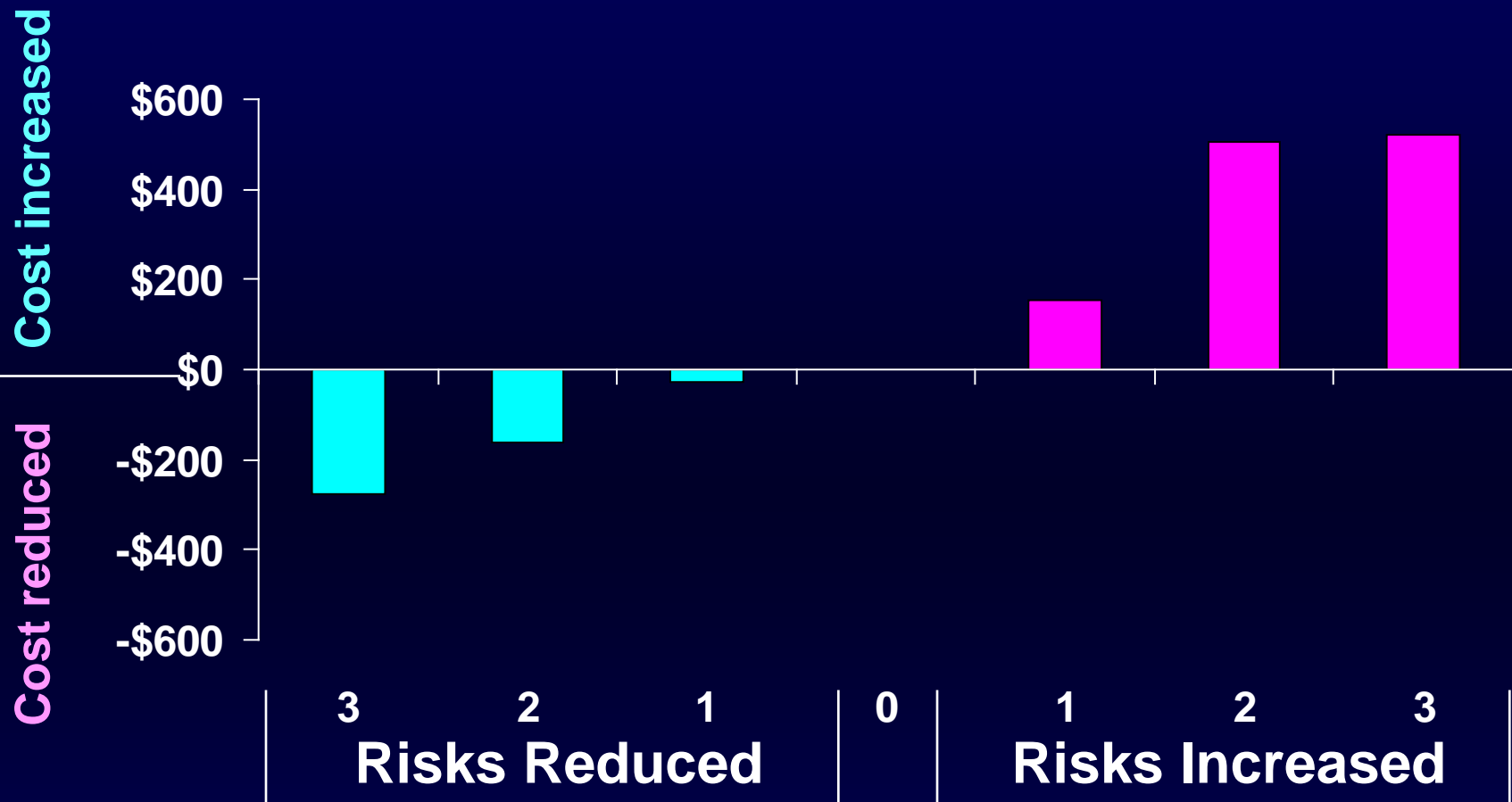
Excess Medical Costs due to Excess Risks



Association of Risk Levels with Corporate Cost Measures

Outcome Measures	Low-Risk	Medium-Risk	High-Risk	Excess Cost Percentage
Short-term Disability	\$ 120	\$ 216	\$ 333	41%
Worker's Compensation	\$ 228	\$ 244	\$ 496	24%
Absence	\$ 245	\$ 341	\$ 527	29%
Medical & Pharmacy	\$1,158	\$1,487	\$3,696	38%
Total	\$1,751	\$2,288	\$5,052	36%

Change in Costs Follow Change in Risks



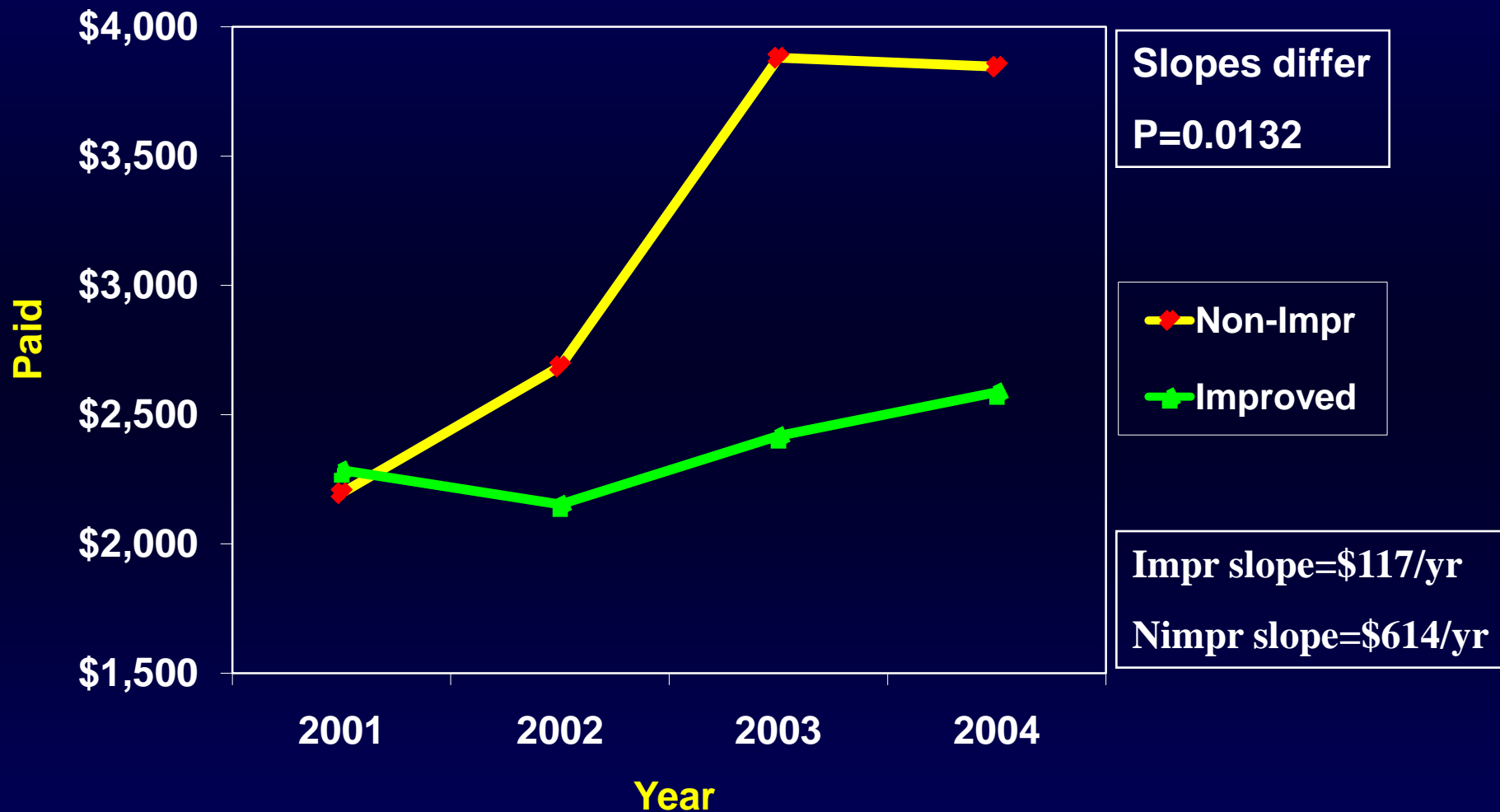
Overall: Cost per risk reduced: \$215; Cost per risk avoided: \$304

Actives: Cost per risk reduced: \$231; Cost per risk avoided: \$320

Retirees<65: Cost per risk reduced: \$192; Cost per risk avoided: \$621

Retirees>65: Cost per risk reduced: \$214; Cost per risk avoided: \$264

Medical and Drug Cost (Paid) *



Improved=Same or lowered risks

Business Case

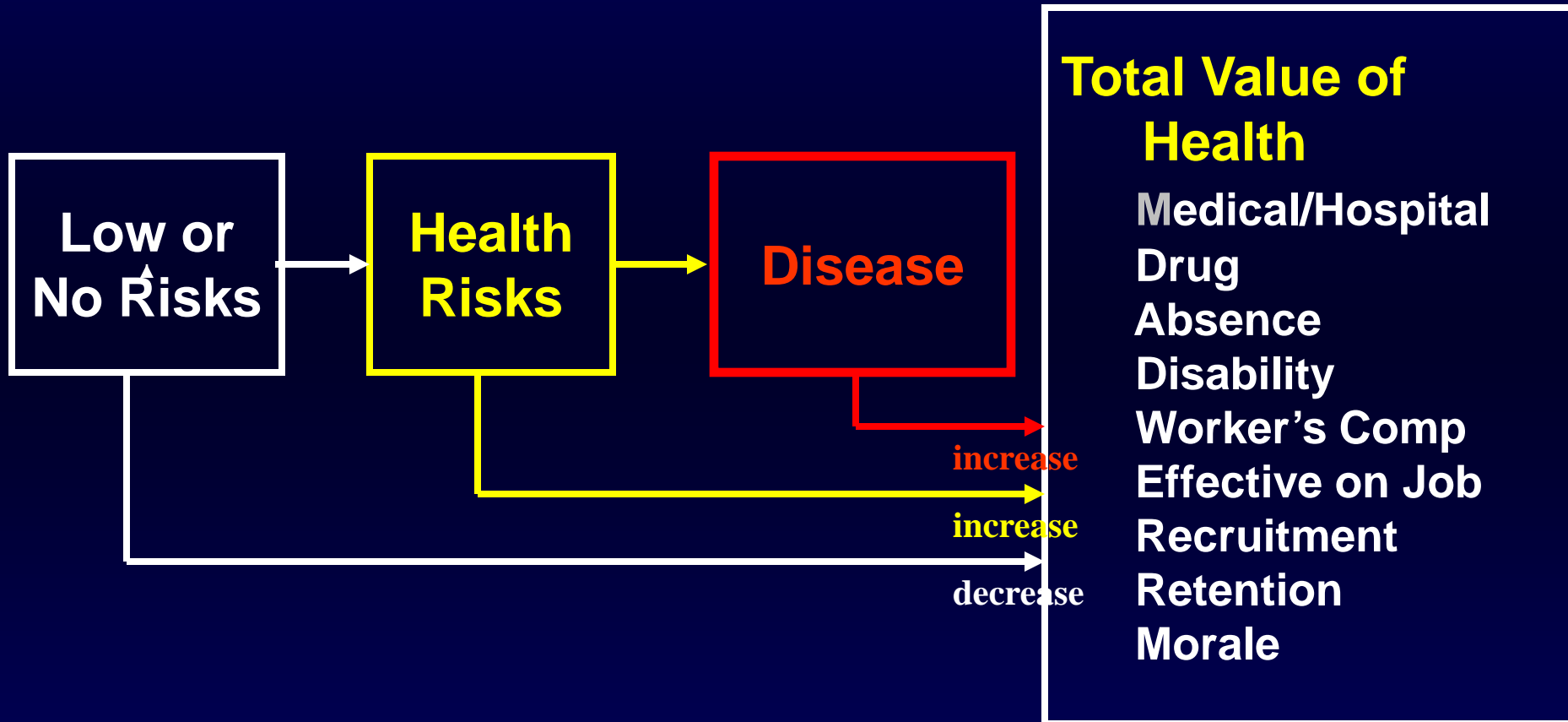
Zero Trends follow

“Don’t Get Worse”

and

**“Help the Healthy People
Stay Healthy”**

The Economics of Total Population Engagement and Total Value of Health



Where does cost turn into an investment?



Health and Wellness Programs

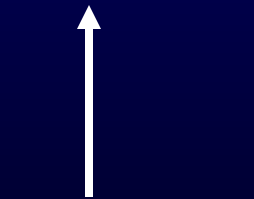
**Healthier
Person**



**Better
Employee**



**Gains for The
Organization**



**Lifestyle
Change**



**Health
Management
Programs**

**Employs a
Behavioral
Change Strategy**

1. Health Status
2. Life Expectancy
3. Disease Care Costs
4. Health Care Costs
5. Productivity
 - a. Absence
 - b. Disability
 - c. Worker's Compensation
 - d. Presenteeism
 - e. Quality Multiplier
6. Recruitment/Retention
7. Company Visibility
8. Social Responsibility

A short Health & Performance Quiz

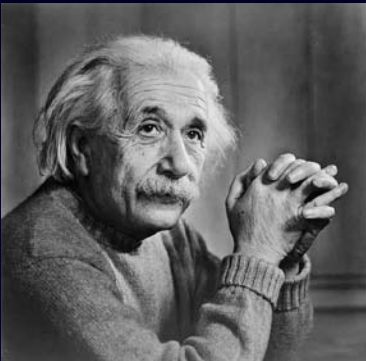
If you continue to wait for defects and then try to fix the defects: Will you ever solve the fundamental problems?

Is it better to keep a good customer or find a new one?

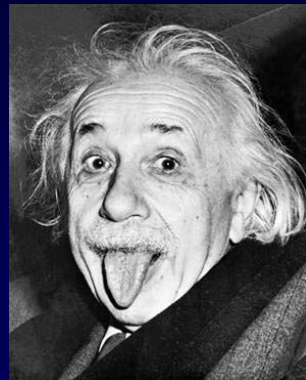
Is the action you reward, the action that is sustained?

If you put a changed person back into the same environment: Will the change be sustainable?

**The world we have made as a result of the
level of thinking we have done thus far
creates problems we cannot solve
at the same level of thinking
at which we created them.**



- *Albert Einstein*



Where do we go next?

TO A NEW LEVEL OF THINKING...

Vision for Zero Trends

Zero Trends was written to be a **transformational approach** to the way organizations ensure a continuous healthy and high performing workplace and workforce

Based upon over 200 Research Publications



ZERO TRENDS

Health as a Serious Economic Strategy

Dee W. Edington, PhD, *Health Management Research Center, University of Michigan*

Solution for the 21st Century (How)

**Integrate Health Management
into the Environment and the
Culture**

**(...in Quality terms this strategy
translates into “fix the systems
that lead to the defects”)**

**Healthy and High Performing
People and Organizations will
be the Competitive Advantage
of the 21st Century**

Systematic, Systemic, Sustainable

Integrate Health into Core Business



**Health Management as a Serious Business and
Economic Strategy**

CHAMPION COMPANY SYSTEM



Characteristic of a Champion Company

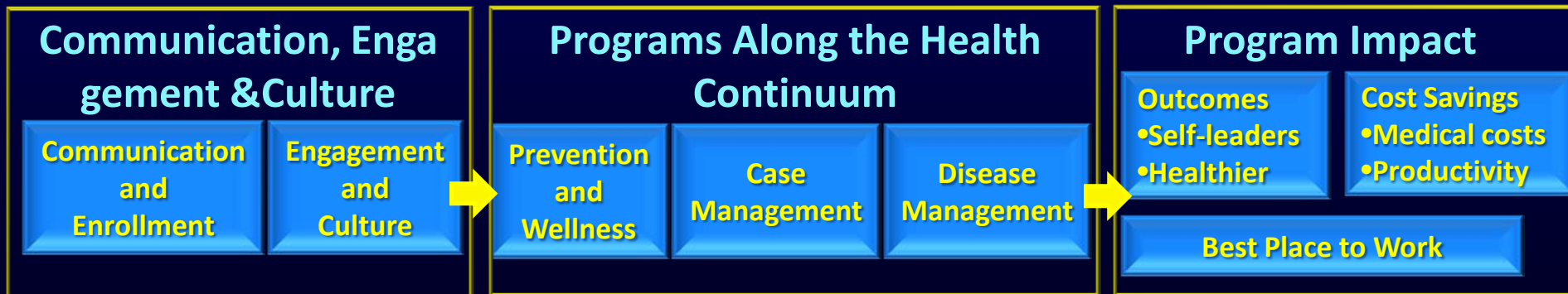
Systematic Strategies

Make the Solutions Systemic

Make it Sustainable

Five Fundamental Pillars

Systematic, Systemic and Sustainable



Pillar 1:
Senior Leadership
Strong Vision
Visible
Committed Leadership

Pillar 2:
Operations Leadership
Culture of Health
Supportive Environment

Pillar 3:
Self-Leadership
Create Winners
• Help Employees Not Get Worse
• Help Healthy People Stay Healthy

Pillar 4:
Reward Actions
Reward Champions
Reinforce at every touch point

Pillar 5:
Quality Assurance
Continuous Improvement
Drives Program Improvements

Senior Leadership



Create the Vision

- Connect vision to business strategy
- Commit to healthy culture
- Provide adequate resources
- Leadership engaged as visible committed participants

“Establish the business value of a healthy and high performing organization and workplace as a world-wide competitive advantage”

Operations Leadership



Align Workplace & Policies with the Vision

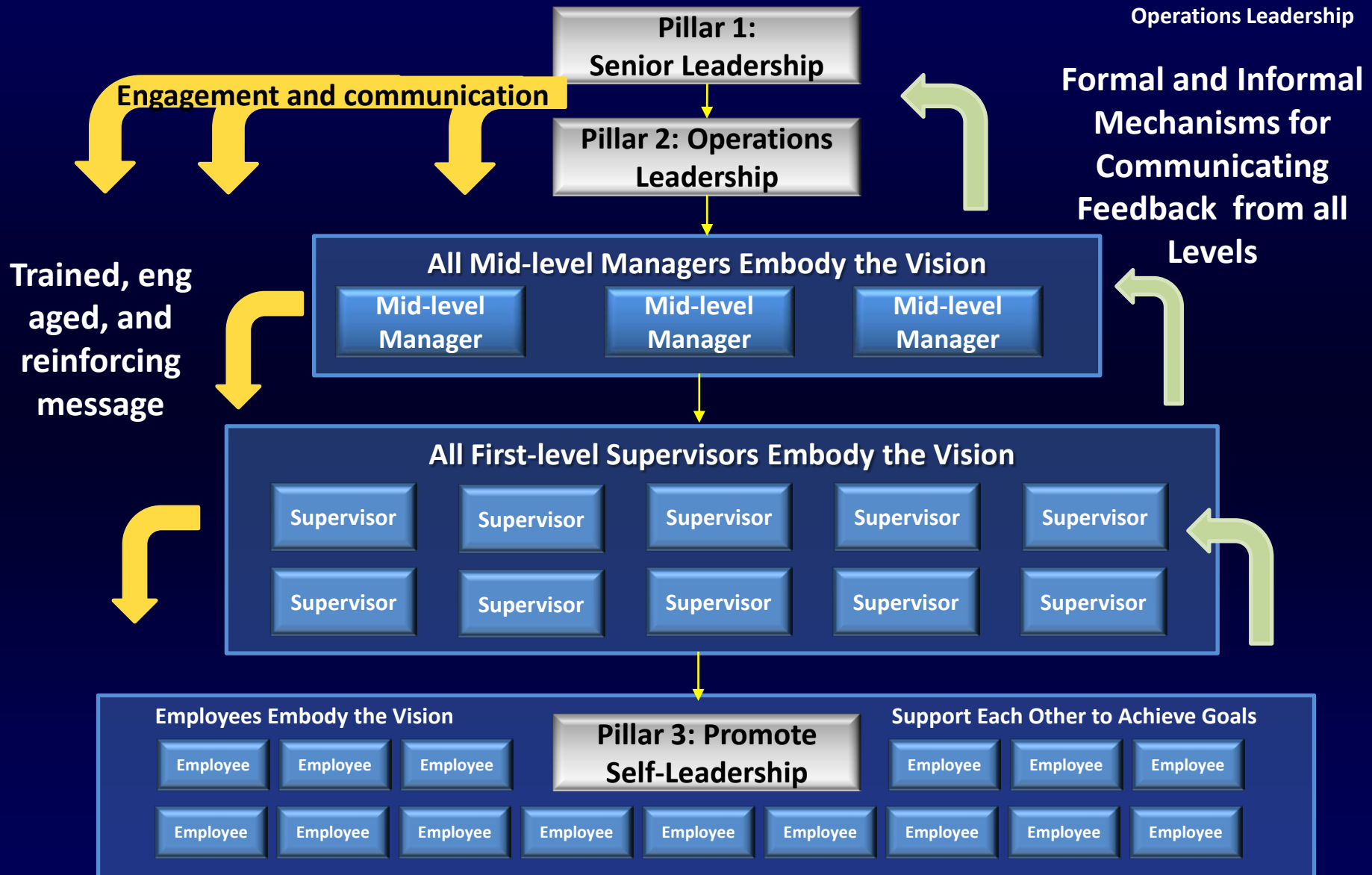
- Integrate policies into health culture
- Brand health management strategies
- Engage everyone

“You can’t put a changed person back into the same environment and expect the change to hold”

Communication & Dissemination



Pillar 2:
Operations Leadership



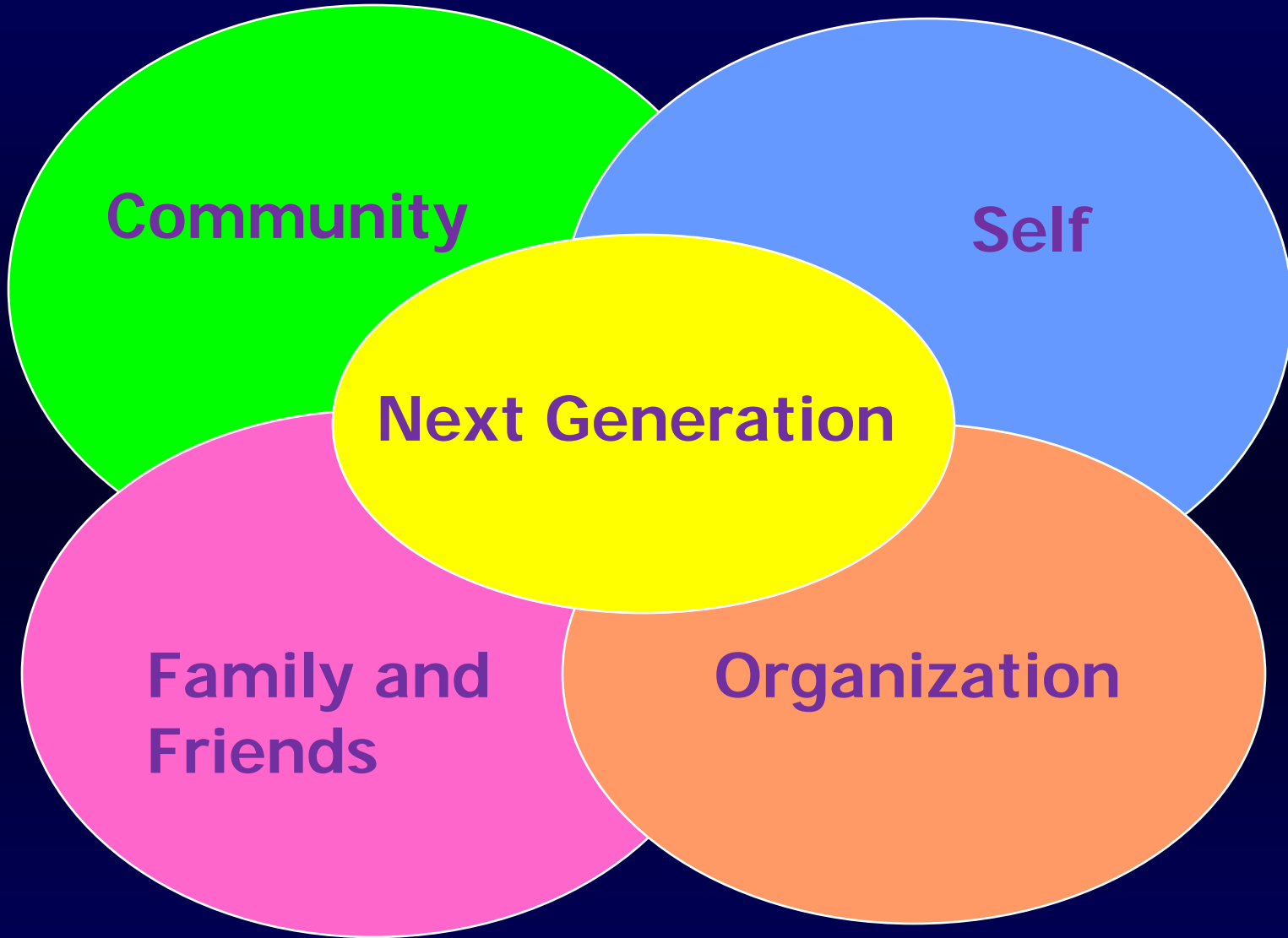
The Transformation needs New Tools

Next Generation Health Risk Assessments

**Corporate Culture and Environmental
Audit and Gap Analyses**

**Where do Employees go after Work?
Community and Home**

From Best Practices to Next Practices



Determinates of Health Status

Self-Leadership



Create Winners

- Help employees not get worse
- Help healthy people stay healthy
- Provide improvement and maintenance strategies
- Develop self-leadership skills

**“Create winners, one step at a time
and the first step is don’t get worse’**

Recognize Actions



Reinforce the Culture of Health

- Align recognition to the vision
- Reward champions
- Set incentives for healthy choices
- Reinforce at every touch point

“What is rewarded is what is sustained”

Quality Assurance



- Integrate all data
- Evaluate program outcomes
- Use a conceptual outcomes framework
- Provide timely feedback of progress toward vision, culture, self-leaders, actions, economic outcomes

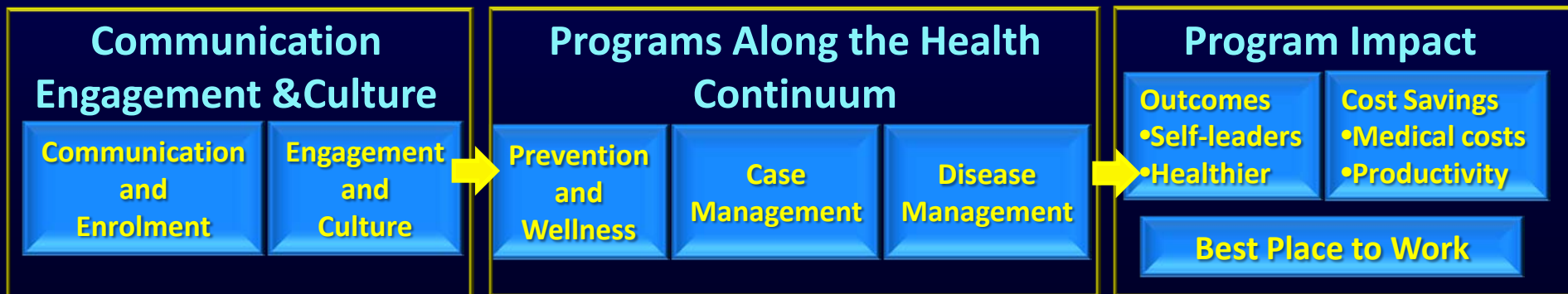
“Supports decisions throughout the life of the program”

Levers of Program Success: Sustainability

Communication,
Engagement, Culture

Impactful Health Programs

Program Impact



Pillar 1:
Senior
Leadership

Pillar 2:
Operations
Leadership

Pillar 3:
Self-
Leadership

Pillar 4:
Reward
Actions

Pillar 5:
Quality Assurance
Continuous Improvement

Continuous feedback of
information about program
processes and outcomes

Summary

**Healthy and High Performing
People and Organizations will
be the Competitive Advantage
of the 21st Century**

Systematic, Systemic, Sustainable

Create a Strategy

What is Your Vision?



	Senior Leadership	Operational Leadership	Self-Leadership	Reward Positive Actions	Quality Assurance
Champion	Vision from Leaders	Healthy System & Culture	Everyone a Self-Leader	Reward Sustained Results	Progress in All Areas
Comprehensive	Speech from Leader	Reduction in Risks	Reduce Health Risks	Reward Achievement	Change in Risk & Sick Costs
Traditional	Inform Leader	Programs Targeting Risks	Health Risk Awareness	Reward Enrollment	Change in Risks
Do Nothing	Status Quo	Status Quo	Status Quo	Status Quo	Status Quo

What's the Point

Thank you for your attention.

Please contact us if you have any questions.

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